BEST COPY
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MONTANA LEGISLATIVE HISTORY

Chapter 536 1989

Bill H _____ S 8 Original bill & history ___C

H. Committee on Natural Resources		S. Committee on Judiciary	
Hearing Date(s) Mar 01	✓C	Hearing Date(s) Jan 09	✓C
_____	___C	_____	___C
_____	___C	_____	___C
_____	___C	_____	___C
Date Out Mar 02	✓C	Jan 09	✓C

Did this bill originate in an interim committee? ___Yes ___No

Committee _____ Report _____

SENATE FINAL STATUS

1/02	REFERRED TO FISH & GAME		
1/03	FISCAL NOTE REQUESTED		
1/09	FISCAL NOTE RECEIVED		
1/09	FISCAL NOTE PRINTED		
1/12	HEARING		
1/20	COMMITTEE REPORT--BILL PASSED AS AMENDED		
1/23	2ND READING PASSED AS AMENDED	31	19
1/25	3RD READING FAILED	19	31

SB 7 INTRODUCED BY ECK
REVISE CLASS FOUR PROPERTY AND THE RESIDENTIAL PROPERTY TAX CREDIT
BY REQUEST OF DEPARTMENT OF REVENUE

1/03	INTRODUCED		
1/03	REFERRED TO TAXATION		
1/03	FISCAL NOTE REQUESTED		
1/09	HEARING		
1/09	FISCAL NOTE RECEIVED		
1/10	FISCAL NOTE PRINTED		
	DIED IN COMMITTEE		

SB 8 INTRODUCED BY ECK
EXEMPT TRIBAL ROYALTIES RECEIVED UNDER 1938 LEASES FROM STATE TAXATION
BY REQUEST OF DEPARTMENT OF REVENUE

1/03	INTRODUCED		
1/03	REFERRED TO JUDICIARY		
1/09	HEARING		
1/10	COMMITTEE REPORT--BILL PASSED AS AMENDED		
1/12	2ND READING PASSED	48	0
1/14	3RD READING PASSED	48	0
	TRANSMITTED TO HOUSE		
2/21	REFERRED TO NATURAL RESOURCES		
3/01	HEARING		
3/02	COMMITTEE REPORT--BILL CONCURRED		
3/03	2ND READING CONCURRED	76	10
3/04	3RD READING CONCURRED	78	16
	RETURNED TO SENATE		
3/10	SIGNED BY PRESIDENT		
3/10	SIGNED BY SPEAKER		
3/10	TRANSMITTED TO GOVERNOR		
3/16	RETURNED TO SENATE WITH GOVERNOR'S AMENDMENTS		
3/17	2ND READING GOVERNOR'S AMENDMENTS CONCURRED	46	0
3/20	3RD READING GOVERNOR'S AMENDMENTS CONCURRED	48	0
	TRANSMITTED TO HOUSE		
3/30	2ND READING GOVERNOR'S AMENDMENTS CONCURRED	84	8
3/31	3RD READING GOVERNOR'S AMENDMENTS CONCURRED	92	4
	RETURNED TO SENATE		
4/08	SIGNED BY PRESIDENT		

4/08 SIGNED BY SPEAKER
4/10 TRANSMITTED TO GOVERNOR
4/14 SIGNED BY GOVERNOR
CHAPTER NUMBER 536 EFFECTIVE DATE: 10/01/89

SB 9 INTRODUCED BY HARP
INCREASE PERCENTAGE OF PETITION SIGNERS TO SUSPEND REFERENDUM

1/02 INTRODUCED
1/02 REFERRED TO STATE ADMINISTRATION
1/04 HEARING
1/10 COMMITTEE REPORT--BILL NOT PASSED
1/10 ADVERSE COMMITTEE REPORT ADOPTED 31 17
(THIS BILL WAS PLACED ON 2ND READING BECAUSE IT WAS A CONSTITUTIONAL AMENDMENT)
1/12 2ND READING DO PASS MOTION FAILED 23 25
(THIS BILL WAS PLACED ON 3RD READING BECAUSE IT WAS A CONSTITUTIONAL AMENDMENT)
1/16 3RD READING PASSED 25 24

TRANSMITTED TO HOUSE
2/21 REFERRED TO STATE ADMINISTRATION
3/10 HEARING
3/10 COMMITTEE REPORT--BILL NOT CONCURRED
3/11 ADVERSE COMMITTEE REPORT ADOPTED 75 15

SB 10 INTRODUCED BY HALLIGAN
PROVIDE PROCEDURE FOR SUMMARY DISSOLUTION OF MARRIAGE

1/02 INTRODUCED
1/02 REFERRED TO JUDICIARY
1/12 HEARING
1/16 FISCAL NOTE REQUESTED
1/23 FISCAL NOTE RECEIVED
1/23 FISCAL NOTE PRINTED
DIED IN COMMITTEE

SB 11 INTRODUCED BY LYNCH
REVISE SESSION LAW FORMAT
BY REQUEST OF LEGISLATIVE COUNCIL

1/02 INTRODUCED
1/02 REFERRED TO STATE ADMINISTRATION
1/06 HEARING
1/09 COMMITTEE REPORT--BILL PASSED
1/12 2ND READING PASSED 48 0
1/14 3RD READING PASSED 48 0

TRANSMITTED TO HOUSE
2/21 REFERRED TO STATE ADMINISTRATION
3/03 HEARING
3/03 COMMITTEE REPORT--BILL CONCURRED
3/04 2ND READING CONCURRED 83 0
3/06 3RD READING CONCURRED 93 0

RETURNED TO SENATE
3/10 SIGNED BY PRESIDENT
3/10 SIGNED BY SPEAKER

MINUTES

MONTANA SENATE
51st LEGISLATURE - REGULAR SESSION

COMMITTEE ON JUDICIARY

Call to Order: By Chairman Bruce Crippen, on January 9, 1989, at 10:00 a.m. in Room 325 of the Capitol.

ROLL CALL

Members Present: Chairman Bruce Crippen, Vice Chairman Al Bishop, Senators Tom Beck, Mike Halligan, Bob Brown, Joe Mazurek, Loren Jenkins, R. J. "Dick" Pinsoneault, John Harp and Bill Yellowtail.

Members Excused: None.

Members Absent: None.

Staff Present: Staff Attorney Valencia Lane and Committee Secretary Rosemary Jacoby

Announcements/Discussion: Chairman Crippen asked that the committee consider it standard policy to study bills before coming to the hearings. If they had any questions on the bills, he suggested that committee members contact sponsors or the staff attorney for assistance.

HEARING ON SENATE BILL 8

Presentation and Opening Statement by Sponsor: Senator Dorothy Eck of Bozeman, representing District #40, opened the hearing. She said she was sponsoring the bill at the request of the Department of Revenue to clarify the exemption of tribal royalties received under 1938 leases from state taxation. She said that there had been a number of problems in the bill drafting, one being that the wrong court case had been cited. The bill should have referred to the Blackfeet Tribe vs. the State of Montana. She announced that amendments were being prepared and would be presented to the committee. She then reviewed the amendments (Exhibit 1).

List of Testifying Proponents and What Group they Represent:

Jerry Foster, Department of Revenue
Jim Mockler, Montana Coal Council

List of Testifying Opponents and What Group They Represent:
There were none.

Testimony:

Jerry Foster apologized for the length of the amendments. He gave some history of the bill, stating that the courts gave a decision in 1985 that the DOR could not tax royalties. Since that time, the DOR has administered the decision and has settled back taxes for the tribe. This bill, he said, defined net benefits and excluded royalties in the computation.

Jim Mockler reiterated Jerry Foster's testimony, then added that he felt the statute needed to be clarified.

Questions From Committee Members: Senator Yellowtail asked if it would be appropriate to resolve the Crow case within this bill. Jerry Foster said he would prefer to pass this bill as drafted and suggested that other legislation be drafted for the Crow Tribe.

Senator Yellowtail asked if it would be appropriate to make that request. Senator Crippen asked that he do so as an individual, rather than having the committee make the request. He suggested that Senator Yellowtail work with Jim Mockler and Jerry Foster on the suggested legislation.

Senator Pinsoneault asked what revenue the state derives from the Blackfeet Trusts and Jeff Miller of the DOR said that none was derived. Senator Crippen said the state considered the tribal properties within the state taxable until told otherwise. Senator Pinsoneault commented that the problems involved with these properties are extremely complex. He agreed it would be best to limit the scope of this bill to one tribe.

Senator Yellowtail asked if the Fort Peck Tribe would be dealt with in the same manner. Mr. Foster said he would have to research that.

Senator Yellowtail said he understood the way the bill read on refunds. He asked if the department would not charge royalties hereafter. Mr. Foster said his understanding was correct regarding the royalties.

Closing by Sponsor: Senator Eck closed the hearing, saying she would prefer that the bill not be radically altered to include the Crows.

DISPOSITION OF SENATE BILL 8

Discussion: Discussion brought out that the reference to the Crow tribe had been removed in the amendments (Exhibit 1) by the person who drafted the bill. Staff Attorney Valencia Lane thought the amendments addressed the intent of the sponsor and proponents. Senator Yellowtail agreed that the two tribes had different issues and should be treated separately. Senator Pinsoneault asked if the bill dealt with the Blackfeet Trust properties. Valencia Lane said she didn't know.

Amendments and Vote: Senator Jenkins MOVED that the amendments be accepted. The MOTION CARRIED UNANIMOUSLY.

Recommendation and Vote: Senator Jenkins MOVED that Senate Bill 8 DO PASS AS AMENDED. The MOTION CARRIED UNANIMOUSLY.

HEARING ON SENATE BILL 55

Presentation and Opening Statement by Sponsor: Senator John Harp of Kalispell, representing District #4, opened the hearing. He said that the state had almost $25 million in delinquent receivables. This bill attempted to address the problem by eliminating some of the exemptions which would allow the DOR to compete with the federal government. In the federal government, garnishment is unlimited, he said, but the state restrictions are 25%. Living expenses and household expenses would be taken into consideration, he said, but the object of the bill was to get on the "same footing" as the federal government.

ROLL CALL

JUDICIARY COMMITTEE

51st LEGISLATIVE SESSION -- 1989 Date Jan. 9, 198

NAME	PRESENT	ABSENT	EXCUSED
SENATOR CRIPPEN	✓		
SENATOR BECK	✓		
SENATOR BISHOP	✓		
SENATOR BROWN	✓		
SENATOR HALLIGAN	✓		
SENATOR HARP	✓		
SENATOR JENKINS	✓		
SENATOR MAZUREK	✓		
SENATOR PINSONEAULT	✓		
SENATOR YELLOWTAIL	✓		

Each day attach to minutes.

STANDING COMMITTEE REPORT

January 3, 1989

MR. PRESIDENT:

We, your committee on Judiciary, having had under consideration SB 8 (first reading copy -- white), respectfully report that SB 8 be amended and as so amended do pass:

1. Title, line 7.
Following: "PROCEEDS,"
Strike: "COAL SEVERANCE,"

2. Page 1, lines 10 through 12.
Following: "Court in"
Strike: remainder of line 10 through "(1985)" on line 12
Insert: "Blackfeet Tribe v. Montana, 471 U.S. 759 (1985)"

3. Page 1, lines 12 through 13.
Following: "Montana's"
Strike: remainder of lines 12 through "Crow Tribe" on line 13
Insert: "oil and gas production taxes on royalties"

4. Page 1, lines 14 through 15.
Following: "federal law"
Strike: remainder of line 14 through "sovereignty" on line 15

5. Page 1, line 18.
Following: "from"
Strike: "state"

6. Page 1, line 19.
Following: "proceeds,"
Strike: "coal severance,"

continued

7. Page 2, line 4.
Following: "chapter 23,"
Strike: "parts 5 through 8"
Insert: "part 6"
Following: "Title 15,"
Strike: "chapters 35 and"
Insert: "chapter"

8. Page 2, line 5.
Following: line 4
Strike: "Title 15, chapter 37, parts 1 and 2;"

9. Page 2, lines 6 and 7.
Following: "23," on line 6
Strike: remainder of line 6 through "6" on line 7
Insert: "part 6"

10. Page 2, line 7.
Following: "Title 15,"
Strike: "chapters 35 and"
Insert: "chapter"

11. Page 2, lines 7 and 8.
Following: "36;"
Strike: the remainder of line 7 through "2;" on line 8

DO PASS

Signed: _____
Bruce D. Crippen, Chairman

-2-

H.C.
1/19/89
3:00

sc1sb005.hcw

CLERICAL

S Bill No. 8

Date: 1-10-89

Time: 5 pm

MER
(Legislative Council Staff)

☐ S H Standing Committee

(Chairman) Crippen

☐ S / H Committee of the Whole

(Sponsor)

In accordance with the Rules of the Montana Legislature, the following clerical errors may be corrected:

Amendment #1 should read:

" Title, line 7.

Strike: " STATE"

Following: " PROCEEDS, "

Strike: " COAL SEVERANCE, "

An objection to these corrections may be registered by the Secretary of the Senate, the Chief Clerk of the House, or the sponsor by filing the objection in writing within 24 hours after receipt of this notice.

SENATE JUDICIARY
EXHIBIT NO. 1 OK Pdc 1/9
DATE 1-9-89
BILL NO. SB 8

Amendments to Senate Bill No. 8
First Reading Copy

Requested by Senator Eck
For the Judiciary Committee

Prepared by Eddye McClure
January 5, 1989

1. Title, line 7.
Following: "PROCEEDS,"
Strike: "COAL SEVERANCE,"

2. Page 1, lines 10 through 12.
Following: "Court in"
Strike: remainder of line 10 through "(1988)" on line 12
Insert: "Blackfeet Tribe v. Montana, 471 U.S. 759 (1985)"

3. Page 1, lines 12 through 13.
Following: "Montana's"
Strike: remainder of lines 12 through "Crow Tribe" on line 13
Insert: "oil and gas production taxes on royalties"

4. Page 1, lines 14 through 15.
Following: "federal law"
Strike: remainder of line 14 through "sovereignty" on line 15.

5. Page 1, line 18.
Following: "from"
Strike: "state"

6. Page 1, line 19.
Following: "proceeds,"
Strike: "coal severance,"

7. Page 2, line 4.
Following: "chapter 23,"
Strike: "parts 5 through 8"
Insert: "part 6"
Following: "Title 15,"
Strike: "chapters 35 and"
Insert: "chapter"

8. Page 2, line 5.
Following: line 4
Strike: "Title 15, chapter 37, parts 1 and 2;"

SENATE JUDICIARY
EXHIBIT NO. 1, 9.2
DATE 1-9-89
BILL NO. SB 8

9. Page 2, lines 6 and 7.
Following: "23," on line 6
Strike: remainder of line 6 through "8" on line 7
Insert: "part 6"

10. Page 2, line 7.
Following: "Title 15,"
Strike: "chapters 35 and"
Insert: "chapter"

11. Page 2, lines 7 and 8.
Following: "36;"
Strike: the remainder of line 7 through "2;" on line 8

DATE Jan. 9, 1989

COMMITTEE ON Judiciary

VISITORS' REGISTER

NAME	REPRESENTING	BILL #	Check One	
			Support	Oppo
Jerry Foster	Dept of Revenue	SB3	✓	
Jeff Miller	Dept of Revenue	SB55	✓	
Charles Wombold	Dept of Revenue	SB55		
Jim Mockler	MT Coal Council	SB8		
M. J. Sherwood	MTLA			

(Please leave prepared statement with Secretary)

MINUTES

MONTANA HOUSE OF REPRESENTATIVES
51st LEGISLATURE - REGULAR SESSION

COMMITTEE ON NATURAL RESOURCES

Call to Order: By Chairperson Bob Raney, on March 1, 1989, at 3:05 p.m.

ROLL CALL

Members Present: All present except:

Members Excused: Rep. Harper, Rep. Kadas, and Rep. Hannah

Members Absent: None

Staff Present: Claudia Montagne, Secretary; Hugh Zackheim, Staff Researcher, Environmental Quality Council

Announcements/Discussion: REP. RANEY announced that Janelle Fallan of the Montana Petroleum Association had arranged a field trip to an oil drilling rig on the Sieben Ranch at Canyon Creek on March 7.

REP. O'KEEFE announced that the HB 143 subcommittee would meet to bring the bill in by Friday, 3/3/89.

HEARING ON SB 8

Presentation and Opening Statement by Sponsor:

SEN. DOROTHY ECK, Senate District 40, opened on the bill. She said it was necessary to comply with the Supreme Court decision on the Blackfoot Tribe vs Montana, which said that the state could not tax the oil and gas production on royalties. She said Gerry Foster, Department of Revenue, was available to answer questions about the decision.

Testifying Proponents and Who They Represent:

None

Proponent Testimony:

None

Testifying Opponents and Who They Represent:

None

Opponent Testimony:

None

Questions From Committee Members:

REP. O'KEEFE asked the sponsor asked why the bill was in Natural Resources rather than Taxation Committee. SEN. ECK replied that she did not know, and that the bill was heard in Judiciary in the Senate.

REP. RANEY asked if this decision affected coal production. MR. FOSTER replied that it was premature at this time to include coal. He said they were still investigating the leases under which coal was mined, and anticipated that there would be a bill next session addressing coal. He said this bill extended the oil and gas Blackfoot decision to other reservations, whereas there was coal only on the Crow reservation. REP. RANEY asked if the state could then have a severance tax on coal royalties on Indian land at this time. MR. FOSTER said no, and that the producer could not be taxed either according to his interpretation.

Closing by Sponsor:

SEN. ECK closed and said that on this issue the department tended to be very conservative, and expected additional legislation next session. She urged the committee to concur on the bill.

DISPOSITION OF SB 8

Motion: REP. BROOKE moved SB 8 BE CONCURRED IN.

Discussion: None

Amendments, Discussion, and Votes: None

Recommendation and Vote: The motion CARRIED unanimously.

HEARING ON SB 91

Presentation and Opening Statement by Sponsor:

SEN. RICHARD MANNING, Senate District 18, opened on the bill which he said was long needed. He said it provided for sale of state lands comprising leased cabin or home sites or city or town lots upon request of the lessees thereof, and exempted existing sales from subdivision laws.

Testifying Proponents and Who They Represent:

DAILY ROLL CALL

HOUSE NATURAL RESOURCES COMMITTEE

50th LEGISLATIVE SESSION -- 1987

Date 3-1-89

NAME	PRESENT	ABSENT	EXCUSED
Rep. Bob Raney, Chairman	✓		
Rep. Ben Cohen, Vice-Chairman	✓		
Rep. Kelly Addy	✓		
Rep. Vivian Brooke	✓		
Rep. Hal Harper			✓
Rep. Mike Kadas			✓
Rep. Mary McDonough	✓		
Rep. Janet Moore	✓		
Rep. Mark O'Keefe	✓		
Rep. Robert Clark	✓		
Rep. Leo Giacometto	✓		
Rep. Bob Gilbert	✓		
Rep. Tom Hannah			✓
Rep. Lum Owens	✓		
Rep. Rande Roth	✓		
Rep. Clyde Smith	✓		

CS-30

STANDING COMMITTEE REPORT

March 2, 1989

Mr. Speaker: We, the committee on Natural Resources report that SENATE BILL 8 (first reading reference copy -- blue) be concurred in .

Signed: _____
Bob Raney, Chairman

[REP. BROOKE WILL CARRY THIS BILL ON THE HOUSE FLOOR]

VISITORS' REGISTER

Natural Resources COMMITTEE

BILL NO. SB 8 DATE 3-1-89

SPONSOR Lee Eck

NAME (please print)	~~RESIDENCE~~ Representing	SUPPORT	OPPOSE
J. Foster	Dept of Rev	✓	

IF YOU CARE TO WRITE COMMENTS, ASK SECRETARY FOR WITNESS STATEMENT FORM.

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.